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May 23, 2003

BY HAND DELIVERY

RECEIVED

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

MAY 23 2003

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

**Re: *Ex Parte* Presentation Regarding MM Docket Nos. 02-277; 01-235;
01-317; 00-244 (multiple ownership rulemaking)**

Dear Ms. Dortch:

Waterman Broadcasting Corp. ("Waterman"), Montclair Communications, Inc. ("Montclair"), Chelsey Broadcasting Company, LLC ("Chelsey"), LIN Television Corporation ("LIN"), and Raycom Media, Inc. ("Raycom"), conducted a round of visits on Wednesday and Thursday with the offices of several Commissioners to discuss the television duopoly rule which is at stake in the above Multiple Ownership Notice of Proposed Rule Making.

Representing Waterman were Bernard Waterman, its owner, Steve Pontius, its Executive President and General Manager. In the absence of its owner and Chief Executive Officer, Lara Kunkler, who is nine months pregnant, Montclair was represented by its communications attorney, Peter Tannewald. Representing Chelsey was Paul Goodman, its Chief Executive Officer. Representing LIN was Gregory Schmidt, Vice President of New Development and General Counsel. Raycom was to have been represented by Paul McTear, President and Chief Executive Officer, and Rebecca Bryan, Vice President and General Counsel, but air transportation problems prevented their participation. The undersigned is counsel to all but Montclair. Messrs. Waterman and Schmidt could not attend the May 22 meetings.

The discussions on May 21 were held with Commissioner Abernathy and her legal advisor, Stacey Robinson. The discussions on May 22 were held with Susan Eid, legal advisor to the Chairman and summer intern Amanda Strainis-Walker; and Catherine Bohigian, legal advisor to Commissioner Martin. Copies of handouts used in connection with these meetings are attached to this *ex parte* letter. The group said that it was representative of the stations and communities that have been left out of the new duopoly rule apparently proposed by the Commission's staff. Small and mid-sized market stations will not survive without duopoly relief or they will have to reduce or eliminate local news services and other community-based services. Greater relaxation of the rules is necessary to

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preserve voices, where as the top-four station restriction in the proposed rule would weaken or eliminate voices -- the exact opposite effect of what is desired.

An original and three copies of this *ex parte* letter and handouts used at the meetings that were presented to the staff at the meetings are being filed with the Secretary's Office in compliance with the Commission's rules.

Respectfully submitted,



Jonathan D. Blake
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Attachments

cc w/o enc.: Chairman Michael K. Powell
Susan Eid, Esq.
Ms. Amanda Strainis-Walker
Commissioner Kathleen Abernathy
Stacey Robinson, Esq.
Commissioner Kevin Martin
Catherine Bohigian, Esq.
Kenneth Ferree, Esq.
Paul Gallant, Esq.
Gregory Schmidt, Esq.
Peter Tannewald, Esq.
Mr. Bernard Waterman
Mr. Steve Pontius
Ms. Lara Kunkler
Paul Goodman, Esq.
Mr. Paul McTear
Rebecca Bryan, Esq.

BENEFITS OF DUOPOLIES AND LMAs

Call Sign	Market	Affiliation	Channel	LMA/Duopoly	Benefits
WZVN-TV	Fort Myers-Naples, FL (70)	ABC	26	LMA/Waterman	<ul style="list-style-type: none"> Increased local news by 13.5 hrs/wk Increased hours of other local programming Increased hours of children's programming Invested more than \$2.6 million in equipment Invested more than \$5 million in joint assets Won "Regional Edward R. Murrow" award Went on air in digital in October 2002
KFVE	Honolulu, HI (72)	WB	5	Duopoly/Raycom	<ul style="list-style-type: none"> Increased local news by 3.5 hrs/wk Added 60-second news briefs every weeknight Increased local sports programming Increased children's programming to more than 3 hrs/wk Estimates capital costs will be nearly \$5 million
WUAB	Cleveland, OH (17)	UPN	43	Duopoly/Raycom	<ul style="list-style-type: none"> Increased local and public affairs programming Increased children's educational programming Invested more than \$10 million to upgrade facilities Began digital operations in October 1999
WOTV	Grand Rapids-Kalamazoo-Battle Creek, MI (38)	ABC	41	Duopoly/LIN (Began as an LMA)	<ul style="list-style-type: none"> Increased local news by 13 hrs/wk Created community affairs newscast segment Expanded its children's education programming Went on air in digital in December 2002
WCTX	Hartford-New Haven, CT (28)	UPN	59	Duopoly/LIN (Began as an LMA)	<ul style="list-style-type: none"> Constructed its facilities, 41 years after receiving its construction permit and after it entered into an LMA Launched local newscast Launched a weekly Hispanic-oriented news program Increased children's educational programming
WVBT	Norfolk-Portsmouth-Newport News, VA (41)	FOX	43	Duopoly/LIN (Began as an LMA)	<ul style="list-style-type: none"> Replaced home shopping format first as a WB affiliate and then as a Fox affiliate Added a local nightly newscast Increased community and public service programming
KNVA	Austin, TX (54)	WB	54	LMA/LIN	<ul style="list-style-type: none"> Revamped newscasts Won awards for its public service campaigns Invested over \$1.7 million in its digital facilities Launched digital service pursuant to special temporary authority
WNAC-TV	Providence, RI-New Bedford, MA	FOX	64	LMA/LIN	<ul style="list-style-type: none"> Added two 30-minute nightly newscasts Increased public affairs programming Increased children's programming to over three hours/wk

FACT SHEET

- In markets 51-175, the average cash flow for the lowest rated station affiliated with one of the big four networks decreased 41% from 1997 to 2001. In markets 176-210 the financial picture is presumably weaker. (Source: 1/02/03 Comments of NAB, Attachment C)
- In markets 51-175, the average pre-tax profits for the lowest rated station affiliated with one of the big four networks fell from \$2,428,803 to (\$2,820,270) between 1997 to 2001. In markets 176-210 the financial picture is presumably weaker. (Source: 1/02/03 Comments of NAB, Attachment C)
- In markets 51-175, only 15 of 125 markets would have six voices, post-merger. [*This data comes from NAB's 3/15 ex parte filing and only includes commercial and religious stations, not public stations. The data does not include LMAs as one voice.*] (Source: 3/15/03 NAB ex parte filing)
- According to Media General filing, forty local broadcast stations made cutbacks in their local news coverage in the period between November 1998 and October 2002. (1/02/03 Comments of Media General, Appendix 3, Attachment B)
- Of smaller stations (represented by UPN and WB affiliates) in markets 50-100, only 30% in non-duopoly, non-LMA stations are broadcasting in digital, compared with 55.6% that are subject to LMAs or duopolies. (Source: 1/02/03 Comments of Coalition Broadcasters)
- Of smaller stations (represented by UPN and WB affiliates) in markets 50-100, every station in an LMA or duopoly that has been allotted a DTV channel has begun the transition. (Source: 1/02/03 Comments of Coalition Broadcasters)